

**U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641**

**Section 390
Categorical Exclusion for
Oil and Gas Development**

NUMBER: DOI-BLM-CO-110-2011-0164-CX (390)

CASEFILE/PROJECT NUMBER: COC - 12199
ROW UTU63984

PROJECT NAME: EnCana Oil and Gas - 2 APDs on existing well pad HH 9117
Hells Hole 9104-35 D02 2104 (APD)
Hells Hole 9113-2 D02 2104 (APD)

LEGAL DESCRIPTION: T2S, R104W, NWNW Section 2

APPLICANT: EnCana Oil and Gas (EnCana)

BACKGROUND: The location of the two proposed gas wells is on an existing location with existing well Hells Hole 9117 (HH 9117 well pad). The HH 9117 well was approved in CO-WRFO-03-007-EA on November 13, 2002. The HH 9117 well pad was approved at 325 feet long by 170 feet wide working surface and is a producing gas well. There is an existing Right-Of-Way (ROW UTU63984) for the off-lease portion of the access road. An onsite inspection for the two new proposed wells was conducted on April 13, 2011.

DESCRIPTION OF PROPOSED ACTION: EnCana proposes to expand the existing HH 9117 well pad size to 400 feet long by 300 feet wide (working surface) with a pad disturbed area of 5.1 acres. A pipeline 1,810 feet long by 75 feet wide with a disturbed area of 3.1 acres will be installed south of the location in an existing ROW alongside the pipeline approved for the HH 9117 well with tie in point in T2S, R204W, SWNW Section 2. Installed within this route will be a liquid line that may be as large as 12 inches in size (water/condensate) and a gas line that may be as large as 12 inches in size. No new access roads or access road upgrades will be required. Details of the Proposed Action are below in Table 1.

Table 1 - Acreage Disturbance of Proposed Action D02 2104

	Dimensions (length x width) feet	Surface disturbance prior to interim reclamation (acres)	Surface disturbance following interim reclamation (acres)
Well pad	400 x 300 (working area)	5.1 (total well pad construction disturbance)	1.7
Pipeline	1,810 x 75	3.1	0.0
Total		8.2	1.7

Decision to be Made: The Bureau of Land Management (BLM) will decide whether two additional wells may be permitted on the HH 9117 well pad, whether the HH 9117 well pad may be expanded, and review whether a new pipeline may be installed next to an existing pipeline, and if so under what conditions.

PLAN CONFORMANCE REVIEW: The Proposed Action is subject to and has been reviewed for conformance with (43 CFR 1610.5, BLM 1617.3) the following plan:

Name of Plan: White River Record of Decision and Approved Resource Management Plan (ROD/RMP).

Date Approved: July 1, 1997

Decision Number/Page: Page 2-5

Decision Language: "Make federal oil and gas resources available for leasing and development in a manner that provides reasonable protection for other resource values."

CATEGORICAL EXCLUSION REVIEW: The Energy Policy Act of 2005 (P.L. 109-58) prescribed five categorical exclusions (CX) for activities whose purpose is for the exploration of oil or gas.

The Proposed Action qualifies as a categorical exclusion under the Section 390 of the Energy Policy Act, #1: "*Individual surface disturbances of less than five acres so long as the total surface disturbance on the lease is not greater than 150 acres and site-specific analysis in a document prepared pursuant to the NEPA has been previously completed.*"

Documentation

The BLM NEPA Handbook (H-1790-1) provides specific instructions for using this CX.

1) Is surface disturbance associated with the Proposed Action less than five acres? The surface disturbance is less than five acres per well with total disturbed acres of 8.2 acres. BLM National Environmental Policy Act Handbook H-1790-1, Appendix 2-141, January 2008 states: "If more than one action is proposed for a lease (for example, two or more wells), each activity is counted separately and each may disturb up to five acres."

2) Is there less than 150 acres of surface disturbance, including the Proposed Action, on the entire leasehold? The estimated surface disturbance based on existing GIS data in review of the

2009 aerial photo and review of all new disturbances in the entire leasehold is approximately 40 acres or less.

3) *Is the Proposed Action within the boundaries of an area included in a site-specific NEPA document? (The NEPA document must have analyzed the exploration and/or development of oil and gas (not just leasing) and the action/activity being considered must be within the boundaries of the area analyzed in the environmental assessment (EA) or environmental impact statement (EIS). The NEPA document need not have addressed the specific permit or application being considered.)* The NEPA document DOI-BLM-CO-110-2011-0164-CX is tiered to is CO-WRFO-03-007-EA signed on November 13, 2002. CO-WRFO-03-007-EA analyzed one gas well HH 9117 and approved one pipeline. The two proposed wells are on an existing well pad within the area analyzed in the EA and is a pad expansion. The pipeline is proposed to be within an existing ROW alongside the pipeline for the HH 9117 well approved in CO-WRFO-03-007-EA.

INTERDISCIPLINARY REVIEW:

The Proposed Action was presented to, and reviewed by, the White River Field Office (WRFO) interdisciplinary team on 8/2/2011. A list of resource specialists who participated in this review is available upon request from the White River Field Office. The table below lists resource specialists who provided additional remarks concerning cultural resources and special status species.

Name	Title	Resource	Date
Michael Selle	Archaeologist	Cultural Resources, Native American Religious Concerns	9/16/2011
Lisa Belmonte	Wildlife Biologist	Special Status Wildlife Species	8/29/2011
Zoe Miller	Ecologist	Special Status Plant Species	8/4/2011

REMARKS:

Cultural Resources: The proposed new wells are located within the boundaries of site 5RB.790 which was fully recorded in 1988 (Black 1988 Compliance Dated 6/15/188) and officially determined to be eligible for listing on or nomination to the National Register of Historic Places in consultation with the Colorado SHPO in that year. The current well pad location was inventoried at the Class III (100% pedestrian) level. That inventory concluded that the well pad was placed in the middle of one locus of artifact concentration/stone quarrying (Montgomery 1999 Compliance Dated 10/8/1999). A treatment plan (Montgomery and Nunn 2000, compliance dated 4/6/2000) was developed, in consultation with the Colorado SHPO, and completed which allowed a determination of No Adverse Effect (Colorado SHPO concurrence to RB.LM.R352 6/30/2003).

EnCana, at the BLM's request, has engineered the proposed well pad expansion to remain within the ten acre area determined to be appropriate for the determination of No Adverse Effect, identified in 2003. There should be no new impacts to the site and the determination of No Adverse Effect is recommended to the Colorado SHPO.

Native American Religious Concerns: No Native American Religious Concerns are known in the area, and none have been noted by Northern Ute tribal authorities. Should recommended

inventories or future consultations with Tribal authorities reveal the existence of such sensitive properties, appropriate mitigation and/or protection measures may be undertaken. (MRS 8/8/2011)

Paleontological Resources: The new proposed wells are located in an area generally mapped as the Douglas Creek member of the Green River Formation (Tweto 1979) which the BLM WRFO has classified as a PFYC 4 formation meaning it is known to produce scientifically noteworthy fossil resources. (c.f. Armstrong and Wolny 1989)

Threatened and Endangered Wildlife Species: There are no animals listed, proposed, or candidate to the Endangered Species Act that inhabit or derive important benefit from the proposed project vicinity. The BLM-sensitive Brewer's sparrow nests (~15 May to 15 July) in close proximity to the pad, access road, and pipeline, but direct sagebrush habitat involvement would be limited to about 0.1 acre. In the event pad development and pipeline installation coincided with the nesting season, about six acres of sagebrush habitat would be subjected to activity capable of disrupting ongoing nest attempts (4-6 pairs). Raptor surveys were conducted within ¼ mile (½ mile for cliff nesting species) of the proposed location, access road, and pipeline route. No active nests were found within the project area.

Threatened and Endangered Plant Species: There are no special status plant species concerns associated with the Proposed Action since the area has been previously disturbed.

REFERENCES CITED:

Armstrong, Harley J., and David G. Wolny

1989 Paleontological Resources of Northwest Colorado: A Regional Analysis. Museum of Western Colorado. Grand Junction, Colorado.

Black, Kevin D.

1988a A Cultural Resources Inventory of Two Seismic Lines for New Frontier Exploration in the Hells Hole Canyon, Area, Rio Blanco County, Colorado, and Uintah County, Utah. Metcalf Archaeological Consultants, Inc., Eagle, Colorado. (88-54-01: SHPO # RB.LM.R21)

1988b Addendum to A Cultural Resources Inventory of Two Seismic Lines for New Frontier Exploration in the Hells Hole Canyon Area, Rio Blanco County, Colorado, and Uintah County, Utah: Site Monitoring Results. (88-54-02: SHPO #RB.LM.R21)

Metcalf, Sally J.

2003 EnCana Oil and Gas (USA), Inc.'s Hells Hole #9140, Class III Cultural Resource inventory, Rio Blanco County, Colorado. Metcalf Archaeological Consultants, Inc., Eagle, Colorado.

Montgomery, Keith R.

- 1999 Class III Inventory of Coastal Oil and Gas Corporation's Hells Hole Federal #1-2-2-104 Well Location Rio Blanco County, Colorado and Uintah County, Utah. Montgomery Archaeological Consultants, Moab, Utah. (99-121-22: SHPO #RB.LM.R386)

Montgomery, Keith R., and Gregory Nunn

- 2000 Archaeological Data Recovery at a Prehistoric Quarry (Site 5RB790/42UN1669) in Hells Hole Canyon, Rio Blanco County, Colorado. Montgomery Archaeological Consultants, Moab, Utah. (00-131-17)

Tweto, Ogden

- 1979 Geologic Map of Colorado. United States Geologic Survey, Department of the Interior, Reston, Virginia.

MITIGATION:

1. Revegetate all disturbed areas with recommended native seed mix #3 (listed in the table below). Seeding rates listed in the table below are shown as pounds of Pure Live Seed (PLS) per acre and apply to drill seeding. When drill seeding is not feasible (e.g., steep slopes, etc.), then broadcast seed using double the seeding rate followed by harrowing to ensure seed coverage. Applied seed should be certified and free of noxious weeds. Seeding should occur between September 1 and March 31, depending on elevation and vegetation community, or as otherwise approved by the BLM.

Seed Mix	Cultivar	Common name	Scientific Name	Application Rate (lbs PLS/acre)
3	Rosana	Western Wheatgrass	<i>Pascopyrum smithii</i>	4
	Whitmar	Bluebunch Wheatgrass	<i>Pseudoroegneria spicata ssp. inermis</i>	3.5
	Rimrock	Indian Ricegrass	<i>Achnatherum hymenoides</i>	3
		Needle and Thread Grass	<i>Hesperostipa comata ssp. comata</i>	2.5
	Maple Grove	Lewis Flax	<i>Linum lewisii</i>	1
		Scarlet Globemallow	<i>Sphaeralcea coccinea</i>	0.5

2. All construction shall be monitored to ensure that disturbance does not extend beyond the approved acreage for the Hells Hole 9104-35 D02 2104 and Hells Hole 9113-2 D02 2104 APDs.
3. Applicable mitigation brought forward from CO-WRFO-03-007-EA is attached as Appendix A.

Figure 1 - Access Route to EnCana's D02 2104 Well Pad

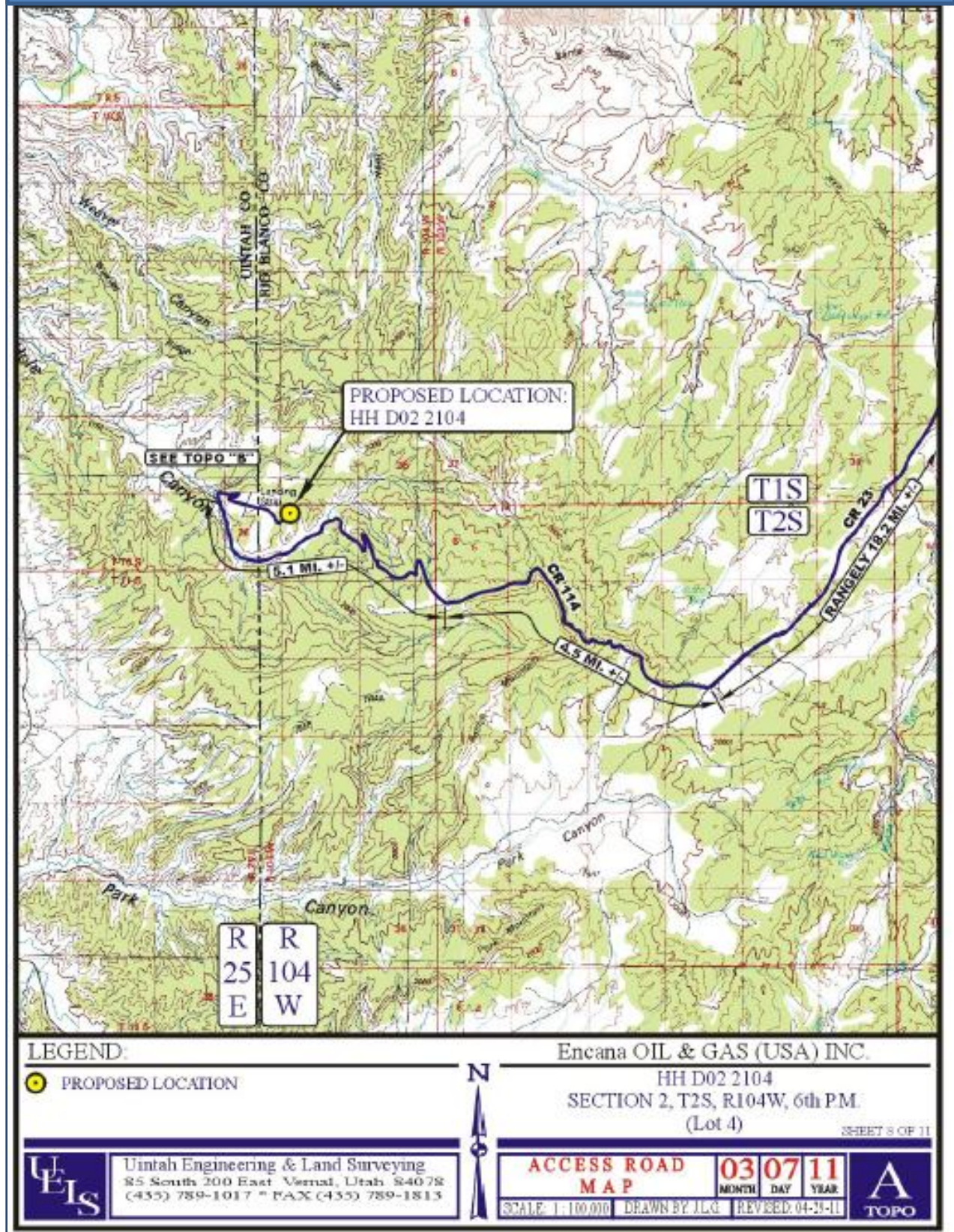
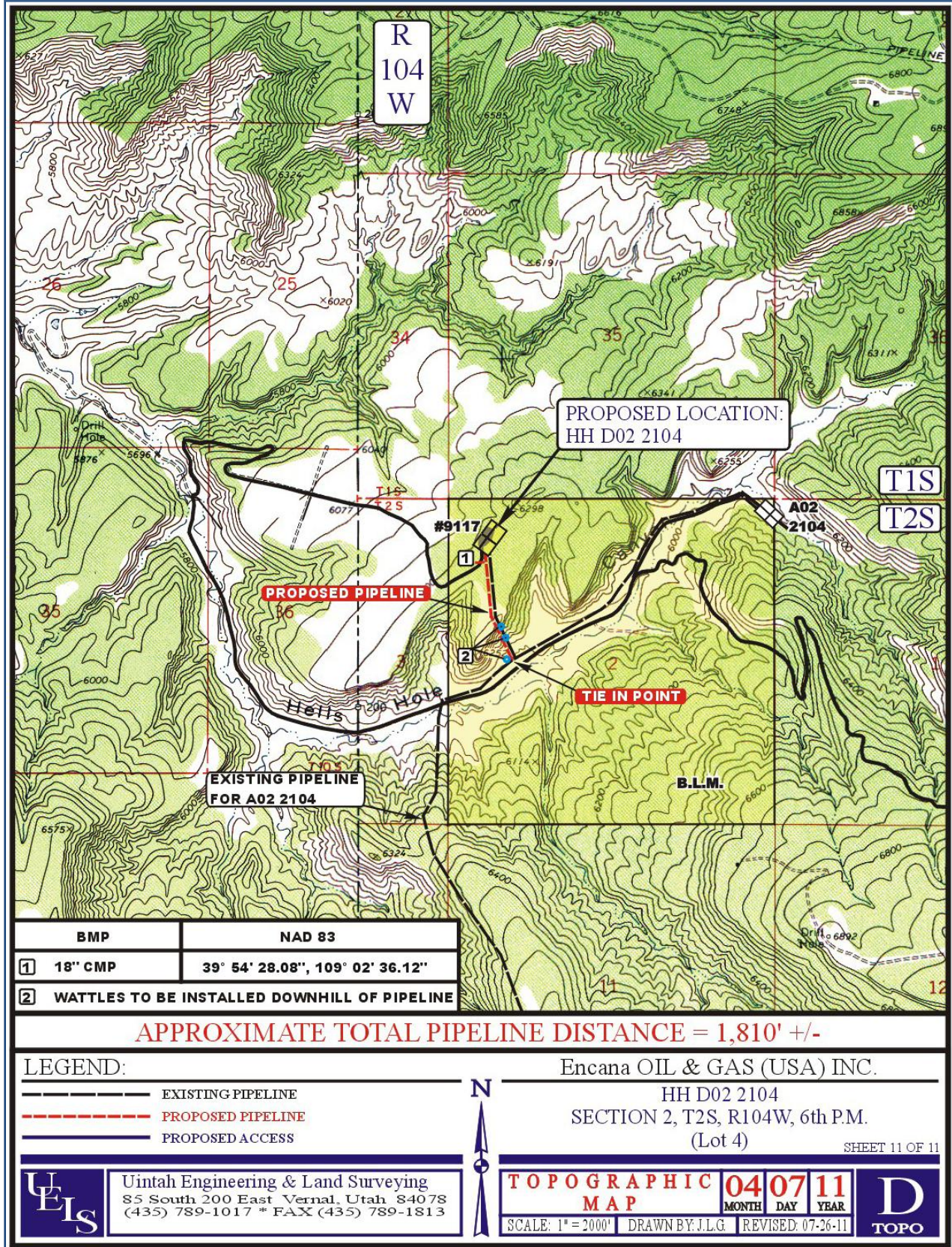


Figure 2 – EnCana's Proposed D02 2104 Well Pad and Pipeline



Appendix A – Applicable mitigation brought forward from CO-WRFO-03-007-EA (Gas Well -- Hell's Hole 9117)

Cultural Resources:

1. All activity must be confined to the existing access road and the staked well pad. All drilling crew personnel are to be restricted to the access road and the well pad during the drilling operations. All production and maintenance must be strictly restricted to the 100 foot corridors inventoried for the access road, pipeline, and the staked well pad location only.

Wastes, Hazardous or Solid:

2. The operator should be required to collect and properly dispose of any solid wastes generated by this project.

Water Quality, Surface or Ground:

3. Efforts need to be made to keep sediment from leaving the site. Apply Conditions of Approval, (BMPs) listed in Appendix B, in the White River ROD/RMP numbers 4, 6, 8, 24, and 35, to help minimize surface disturbing impacts:
 - #4. When preparing the site, all suitable topsoil should be stripped from the surface of the location and stockpiled for reclamation once the location is abandoned. When topsoil is stockpiled on slopes exceeding five percent, construct a berm or trench below the stockpile.
 - #6. All sediment control structures or disposal pits will be designed to contain a 100-year, 6-hour storm event. Storage volumes within these structures will have a design life of 25 years.
 - #8. All activity shall cease when soils or road surfaces become saturated to a depth of three inches unless otherwise approved by the Authorized Officer.
 - #24. Provide vegetative or artificial stabilization of cut and fill slopes in the design process. Avoid establishment of vegetation where it inhibits drainage from the road surface or where it restricts safety or maintenance.
 - #35. Eliminate undesirable berms that retard normal surface runoff.

Invasive, Non-Native Species/Reclamation:

4. Include from the White River ROD/RMP Stipulations; 180-Reclamation shall be prompt. 183-Restored to original contour. 185-Distribute topsoil. Drill on contour. 186-Use certified seed:
 - #180. All disturbed sites shall be promptly reclaimed to the satisfaction of the Area Manager.
 - # 183. Disturbed areas shall be restored as nearly as possible to its original contour.
 - #185. Distribute topsoil evenly over the location and prepare a seedbed by disking or ripping. Drill seed on a contour at a depth no greater than ½ inch. In areas that cannot be drilled, broadcast at double the seeding rate and harrow seed into the soil.
 - #186. Use seed that is certified and free of noxious weeds. Seed certification tags must be submitted to the Area Manager.

Noxious Weeds:

5. Include from the White River ROD /RMP Stipulation; 179-Application of herbicides must be under field supervision of an EPA-certified applicator.
 - #179-Application of herbicides must be under field supervision of an EPA-certified applicator. Herbicides must be registered by the EPA and application proposals must be approved by the BLM.

Access and Transportation:

6. Operator will fence off portions of disturbed areas where vehicles could access the pipeline route until revegetation is complete.

Forest Management:

7. All trees removed in the process of construction shall be purchased from the Bureau of Land Management. The trees shall be cut with a maximum stump height of six inches and disposed of by either: Cut before being dozed off in the area of disturbance. Trees shall be cut into four lengths, down to a four-inch diameter and placed along the edge of the disturbance. Removed from federal land for resale or private use. Limbs may be scattered off the areas of disturbance but not dozed off.

Paleontology:

8. Excavation of a large reserve/blooiie pit shall be spot checked by an approved paleontologist to ensure that fossil resources are not adversely impacted.

Soils:

9. The following COA's from Appendix B, White River ROD/RMP should be applied.
 - #96. Water bars or dikes shall be constructed on all of the rights-of-way, and across the full width of the disturbed area, as directed by the Authorized Officer.
 - #97. Slopes within the disturbed area shall be stabilized by non-vegetative practices designed to hold the soil in place and minimize erosion. Vegetative cover shall be reestablished to increase infiltration and provide additional protection from erosion.
 - #98. When erosion is anticipated, sediment barriers shall be constructed to slow runoff, allow deposition of sediment, and prevent it from leaving the site. In addition, straining or filtration mechanisms may also contribute to sediment removal from runoff.

Visual Resources:

10. Install low profile production equipment and paint all production facilities Juniper Green to blend with the surrounding adjacent trees.

**U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641**

DECISION

PROJECT NAME: EnCana Oil and Gas - 2 APDs on existing well pad HH 9117
Hells Hole 9104-35 D02 2104 (APD)
Hells Hole 9113-2 D02 2104 (APD)

CATEGORICAL EXCLUSION NUMBER: DOI-BLM-CO-110-2011-0164-CX

DECISION

It is my decision to implement the Proposed Action, as mitigated in DOI-BLM-CO-110-2011-0164-CX (390), authorizing the construction, operation, and maintenance of Hells Hole 9104-35 D02 2104 and Hells Hole 9113-2 D02 2104 APDs and construction, operation, and maintenance of the proposed pipeline.

Mitigation Measures

1. Revegetate all disturbed areas with recommended native seed mix #3 (listed in the table below). Seeding rates listed in the table below are shown as pounds of Pure Live Seed (PLS) per acre and apply to drill seeding. When drill seeding is not feasible (e.g., steep slopes, etc.), then broadcast seed using double the seeding rate followed by harrowing to ensure seed coverage. Applied seed should be certified and free of noxious weeds. Seeding should occur between September 1 and March 31, depending on elevation and vegetation community, or as otherwise approved by the BLM.

Seed Mix	Cultivar	Common name	Scientific Name	Application Rate (lbs PLS/acre)
3	Rosana	Western Wheatgrass	<i>Pascopyrum smithii</i>	4
	Whitmar	Bluebunch Wheatgrass	<i>Pseudoroegneria spicata ssp. inermis</i>	3.5
	Rimrock	Indian Ricegrass	<i>Achnatherum hymenoides</i>	3
		Needle and Thread Grass	<i>Hesperostipa comata ssp. comata</i>	2.5
	Maple Grove	Lewis Flax	<i>Linum lewisii</i>	1
		Scarlet Globemallow	<i>Sphaeralcea coccinea</i>	0.5

2. All construction shall be monitored to ensure that disturbance does not extend beyond the approved acreage for the Hells Hole 9104-35 D02 2104 and Hells Hole 9113-2 D02 2104 APDs.
3. Applicable mitigation brought forward from CO-WRFO-03-007-EA is attached as Appendix A.

COMPLIANCE WITH LAWS & CONFORMANCE WITH THE LAND USE PLAN

This decision is in compliance with the Endangered Species Act, and the National Historic Preservation Act. It is also in conformance with the 1997 White River Record of Decision/Approved Resource Management Plan.

PUBLIC INVOLVEMENT

Internal scoping was initiated when the project was presented to the White River Field Office (WRFO) interdisciplinary team on 8/2/2011. External scoping was conducted by posting this project on the WRFO's on-line National Environmental Policy Act (NEPA) register on 8/5/2011.

RATIONALE

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with Section 390 of the Energy Policy Act. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. The Proposed Action has been reviewed, and none of the extraordinary circumstances described in 43 CFR 46.215 apply.

ADMINISTRATIVE REMEDIES

State Director Review

Under regulations addressed in 43 CFR 3165.3(b), any adversely affected party that contests a decision of the Authorized Officer may request an administrative review, before the State Director, either with or without oral presentation. Such request, including all supporting documentation, shall be filed in writing with the BLM Colorado State Office at 2850 Youngfield Street, Lakewood, Colorado 80215 within 20 business days of the date such decision was received or considered to have been received. Upon request and showing of good cause, an extension may be granted by the State Director. Such review shall include all factors or circumstances relevant to the particular case.

Appeal

Any party who is adversely affected by the decision of the State Director after State Director review, under 43 CFR 3165.3(b), of a decision may appeal that decision to the Interior Board of Land Appeals pursuant to the regulations set out in 43 CRF Part 4.

SIGNATURE OF AUTHORIZED OFFICIAL:


Acting Field Manager

DATE SIGNED:

1/19/12